# **RAFFLES**



# **Washington State Gambling Commission**

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# **RAFFLES**

### What is a raffle?

A raffle is an event where an organization sells tickets and awards prizes based on a drawing conducted by the sponsoring organization. All net proceeds from a raffle must be used for the organization's stated purposes.

# Who may conduct a raffle?

Only certain bona fide charitable or bona fide nonprofit organizations may conduct raffles.

Your organization must be organized for at least one of the following purposes to be eligible to conduct a raffle.

Agricultural	Athletic	Benevolent
Educational	Charitable	Civic
Eleemosynary	Fraternal	Patriotic
Political	Social	

If your organization has been granted an IRS letter and/or any contributions to your organization are considered tax deductible, it will be presumed that you qualify. In addition, you **must** meet the following three requirements:

- Have been organized and operating for at least 12 months prior to selling any raffle tickets
- Be able to prove that the organization has made significant progress toward accomplishing its stated purposes during the 12 consecutive months prior to conducting a raffle
- Have at least fifteen voting members who elect the governing body

If your organization does not meet these qualifications, you are not eligible to conduct a raffle. Normally, trade unions or associations that primarily lobby do not qualify.

**Incorporated cities and towns** are considered qualifying nonprofit organizations.

A school's PTA and ASB will usually qualify to conduct raffles. Each group within an PTA or ASB (choir, band, debate) is *part* of the organization and does not have to individually meet the qualifying requirements above. However, the money raised and number of raffles conducted by each group counts towards the authorized limits for the entire PTA or ASB.

# Restrictions that apply to all raffles.

- Maximum price per ticket is \$25
- · No free tickets or tickets as gifts
- Tickets can not be sold on credit
- Prizes must be owned by the organization prior to the drawing
- Records must be kept at least one year
- Members cannot be paid for managing or operating the activity
- Organization members may purchase tickets; however, membership cannot be based on purchasing a raffle ticket

# Age limit to buy or sell raffle tickets.

<u>Buying:</u> You must be at least 18 years old to purchase a raffle ticket.

<u>Selling:</u> You must be at least 18 years old to sell raffle tickets. However, persons under 18 years of age may sell tickets if: (WAC 230-02-183 and WAC 230-12-027)

- The raffle is licensed:
- The organization's primary purpose is to develop youth:
- At least three members of the organization, which are at least 18 years old, supervise the event; and
- One member, age 18 or older, manages the event.

# The following information should be clearly printed on each raffle ticket.

- Cost per chance (\$25 maximum per ticket)
- Consecutively printed number of the ticket
- Date, time, and location of the drawing
- Name of the sponsoring organization
- Whether or not the winner must be present for the drawing
- Description of all prizes to be awarded. If the prize is a percentage of the gross receipts of the raffle, a minimum prize must be disclosed

Gambling can be a problem. For help, call (800) 547-6133

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# **Drawing a winner – Standard drawing format.**

The standard drawing format requires that ticket stubs from all ticket sales be placed in a container in such a manner that each ticket has an equal opportunity of being drawn as a winner. If you would like to select a winner using an alternative drawing format, such as a duck race or poker run, you need a raffle license.

# **UNLICENSED RAFFLES**

There are two types of *unlicensed* raffles that qualifying organizations may conduct, each with its own requirements.

- 1) Unlicensed *Members-only* Raffles: You must follow these rules when your organization conducts unlicensed members-only raffles:
  - Tickets are sold only by members to members of the organization
  - Prizes are awarded only to members
  - Liquor may be awarded as a prize if a special permit is obtained from the Liquor Control Board
  - You may hold an unlimited number of membersonly raffles if the combined gross revenue (money taken in) from the members-only raffles does not exceed \$5,000 during a calendar year

**Credit unions** may conduct unlicensed members-only raffles.

- 2) Unlicensed Public Raffles: In addition to membersonly raffles, you may conduct up to two unlicensed public raffles each year. In public raffles, you can sell tickets to the public at large, not just to members of your organization. You must follow these rules when your organization conducts unlicensed public raffles:
  - Tickets are sold only by members of the organization
  - Liquor cannot be awarded as a prize
  - Notify your local police agency at least five days prior to conducting the raffle

Under the law, you may offer two unlicensed bingo, amusement game or raffle events to the public each year. The combined gross revenue from the two unlicensed events offered to the public must not exceed \$5,000 in a calendar year. If one or both of your events are raffles and you will exceed this limit, you must obtain a raffle license.

# Restrictions that apply to all unlicensed raffles.

- Tickets must be sold for the same price and only by members of the organization, age 18 or older
- Firearms must not be awarded as prizes
- Winners must be chosen using the standard drawing format

### LICENSED RAFFLES

## You must obtain a raffle license if:

- Raffle tickets are sold by someone:
  - Other than a member of the organization; or
  - Under 18 years of age
- Firearms are awarded as prizes
- The gross revenue from members-only raffles will exceed \$5,000 in a calendar year and you want to conduct additional members-only raffles
- The combined gross revenue from public raffles, bingo and amusement games will exceed \$5,000 in a calendar year and you want to conduct additional public raffles
- Your organization wants to conduct public raffles, regardless of the revenue to be raised, and already has a license to conduct bingo or amusement games

In addition to a raffle license, you must obtain specific approval from the Commission if:

- Winners are chosen by an alternative drawing format, instead of the standard format (for example, duck race or poker run)
- · Tickets are sold at a discount
- The retail value of a prize is \$40,000 or more

For questions, contact the Gambling Commission Regional Office nearest you:

**Everett** (425) 339-1728, Ext. 221

EverettFO@wsgc.wa.gov

**Spokane** (509) 329-3666, Ext. 228

SpokaneFO@wsgc.wa.gov

**Tacoma** (253) 471-5312, Ext. 221

TacomaFO@wsgc.wa.gov

You will need to contact the:

- ♦ U.S. Postal Service for information regarding sending raffle tickets through the U.S. Mail
- ♦ IRS for information regarding deductions of ticket purchases as donations and reporting requirements for prizes valued over \$600

Raffle laws: RCW: 9.46.0209, 9.46.0277,

9.46.0315 & 9.46.0321

Raffle rules: WAC: 230-02-183, 230-08-070,

230-12-027, 230-20-325, 230-20-335, 230-20-350,

230-20-360

This publication is available in alternate formats upon ADVANCE REQUEST.
Please contact (360) 486-3458 or
TDD (360) 486-3637

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